

Contacts: Nancy Piesto *Survey Processing* (301) 457-2706 (Census)
 Carol King *Survey Methodology* (301) 457-2675 (Census)
 Electronic inquiries: retail.trade@census.gov

For Release 10:00 A.M. EST
 Wednesday, February 20, 2002
 CB02-24

Intention to Revise. Quarterly retail e-commerce estimates will be revised based on the results of the 2000 Annual Retail Trade Survey. Unadjusted estimates will be revised for fourth quarter 1999 through fourth quarter 2001. Revised data are scheduled for release in May 2002.

RETAIL E-COMMERCE SALES IN FOURTH QUARTER 2001 WERE \$10.0 BILLION, UP 13.1 PERCENT FROM FOURTH QUARTER 2000, CENSUS BUREAU REPORTS

The Census Bureau of the Department of Commerce announced today that the estimate of U.S. retail e-commerce sales for the fourth quarter of 2001, not adjusted for seasonal, holiday, and trading-day differences, was \$10.043 billion, an increase of 13.1 percent ($\pm 4.1\%$) from the fourth quarter of 2000. Total retail sales for the fourth quarter of 2001 were estimated at \$860.8 billion, an increase of 5.3 percent ($\pm 0.6\%$) from the same period a year ago.

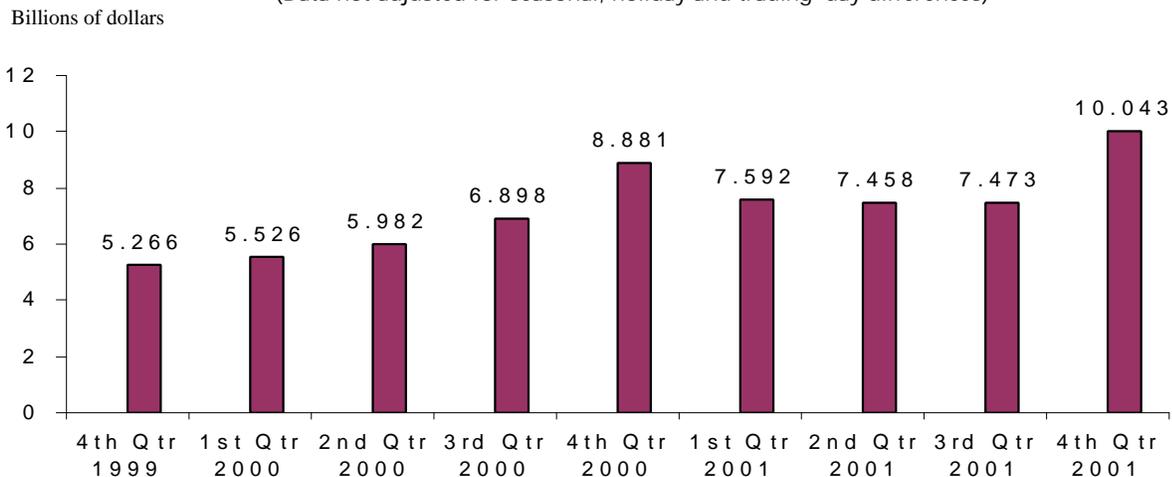
The fourth quarter 2001 e-commerce estimate increased 34.4 percent ($\pm 2.1\%$) from the third quarter of 2001 while total retail sales increased 9.5 percent ($\pm 0.3\%$) from the prior quarter.

E-commerce sales in the fourth quarter of 2001 accounted for 1.2 percent of total sales, while in the fourth quarter of 2000 e-commerce sales were 1.1 percent of total sales. In the third quarter of 2001 e-commerce sales were 1.0 percent of total sales.

Total e-commerce sales for 2001 were estimated at \$32.6 billion, an increase of 19.3 percent ($\pm 2.3\%$) from 2000. Total retail sales in 2001 increased 3.3 percent ($\pm 0.7\%$) from 2000. E-commerce sales in 2001 accounted for 1.0 percent of total sales. E-commerce sales in 2000 accounted for 0.9 percent of total sales.

**Estimated Quarterly U.S. Retail E-commerce Sales:
4TH Quarter 1999 – 4th Quarter 2001**

(Data not adjusted for seasonal, holiday and trading-day differences)



The retail e-commerce sales estimate for the first quarter of 2002 is scheduled for release in May 2002. Annual e-statistics for the year 2000 covering manufacturing, wholesale, retail, and selected service industries are scheduled for release in March 2002. For more information visit: www.census.gov/estats.

E-commerce retail sales data and frequently asked questions (FAQ's) about e-commerce sales are available on the Census website at www.census.gov/mrts/www/mrts.html. For additional information about Census Bureau e-business measurement programs and plans visit www.census.gov/estats.

Table 1. Estimated Quarterly U.S. Retail Sales¹: Total and E-commerce

(Data in millions of dollars. Not adjusted for seasonal, holiday and trading-day differences.)

Period	Retail Sales ¹		E-commerce as a Percent of Total Sales	Quarter-to-Quarter Percent Change		Year-to-Year Percent Change	
	Total	E-commerce ²		Total Sales	E-commerce Sales	Total Sales	E-commerce Sales
1999 4 th Quarter	785,869	5,266	0.7	8.6	(NA)	9.2	(NA)
2000 1 st Quarter	714,425	5,526	0.8	-9.1	4.9	12.0	(NA)
2 nd Quarter	777,819	5,982	0.8	8.9	8.3	8.6	(NA)
3 rd Quarter	772,796	6,898	0.9	0.6	15.3	6.8	(NA)
4 th Quarter	817,715	8,881	1.1	5.8	28.7	4.1	68.6
2001 1 st Quarter	728,662	7,592	1.0	-10.9	-14.5	2.0	37.4
2 nd Quarter	807,409	7,458	0.9	10.8	-1.8	3.8	24.7
3 rd Quarter ^r	786,364	7,473	1.0	-2.6	0.2	1.8	8.3
4 th Quarter ^p	860,828	10,043	1.2	9.5	34.4	5.3	13.1

NA Not available. ^r Revised. ^p Preliminary.¹ Does not include Food Services.²E-commerce sales are sales of goods and services where an order is placed by the buyer or price and terms of sale are negotiated over an Internet, extranet, Electronic Data Interchange (EDI) network, electronic mail, or other online system. Payment may or may not be made online.**Explanatory Notes**

Retail e-commerce sales are estimated from the same sample used in the Monthly Retail Trade Survey (MRTS) to estimate preliminary and final U.S. retail sales. Advance U.S. retail sales are estimated from a subsample of the MRTS sample that is not of adequate size to measure changes in retail e-commerce sales.

A stratified simple random sampling method is used to select approximately 11,000 retail firms whose sales are then weighted and benchmarked to represent the complete universe of over two million retail firms. The MRTS sample is probability based and represents all employer firms engaged in retail activities as defined by the North American Industry Classification System (NAICS). Coverage includes all retailers whether or not they are engaged in e-commerce. Online travel services, financial brokers and dealers, and ticket sales agencies are **not** classified as retail and are **not** included in either the total retail or retail e-commerce sales estimates. Nonemployers are represented in the estimates through the benchmarking operation. E-commerce sales are included in the total monthly sales estimates.

The MRTS sample is updated on an ongoing basis to account for new retail employer businesses (including those selling via the Internet), business deaths, and other changes to the retail business universe. Research was conducted to ensure that retail firms selected in the MRTS sample and engaged in e-commerce are representative of the universe of e-commerce retailers.

Firms are asked each month to report e-commerce sales separately. For each month of the quarter, data for nonresponding sampling units are imputed from responding sampling units falling within the same kind of business and sales size category. Approximately 14 percent of the e-commerce sales estimate for fourth quarter 2001 was imputed. Imputed total retail sales data accounted for approximately 17 percent of the estimate of U.S. retail sales for the fourth quarter 2001.

For each month of the quarter, estimates are obtained by summing weighted sales (either reported or imputed). The monthly estimates are benchmarked to prior annual survey estimates. Estimates for the quarter are obtained by summing the monthly benchmarked estimates. For fourth quarter 2001, the estimate for December is a preliminary estimate. Therefore, the estimate is subject to revision.

Reliability of Estimates

The margin of error for the change in U.S. retail e-commerce sales from the third quarter 2001 to the fourth quarter 2001 is approximately 2.1%, giving a range of 32.3% to 36.5%. Range estimates are computed based on the particular sample selected and canvassed. If we had repeated the process of drawing all possible samples and forming all corresponding range estimates, approximately 90 percent of these individual range estimates would have contained the quarter-to-quarter change in e-commerce sales computed from a complete enumeration of all retail firms on the sampling frame. Because the range above does not contain 0%, we can conclude at the 90 percent confidence level that retail e-commerce sales increased from the third quarter 2001 to the fourth quarter 2001.

Table 2. Range Estimates for Estimated Dollar Volumes

(Data in millions of dollars)

Period	Retail Sales		Retail E-commerce Sales	
	Lower Bound	Upper Bound	Lower Bound	Upper Bound
1999 4 th Quarter	779,881	791,857	5,004	5,528
2000 1 st Quarter	708,197	720,653	5,161	5,891
2 nd Quarter	771,278	784,360	5,632	6,332
3 rd Quarter	765,714	779,878	6,503	7,293
4 th Quarter	810,317	825,113	8,411	9,351
2001 1 st Quarter	720,871	736,453	7,169	8,015
2 nd Quarter	802,362	812,456	7,181	7,735
3 rd Quarter ^r	780,431	792,298	7,171	7,775
4 th Quarter ^p	854,551	867,105	9,711	10,375

^r Revised. ^p Preliminary.

Note: Confidence intervals computed for estimates prior to those for the first quarter 2001 used the coefficients of variation estimated from the SIC-based sample.

Estimates in this report are based on a sample, and therefore, are subject to sampling and nonsampling error. A general discussion of the estimates and survey methodology appears in BR/00-A Current Business Reports and on the Internet: <http://www.census.gov/mrts/www/mrts.html>.

The U.S. Census Bureau, pre-eminent collector and disseminator of timely, relevant, and quality data about the people and the economy of the United States, conducts a population and housing census every 10 years, an economic census every five years, and more than 100 demographic and economic surveys every year, all of them evolving from the first census in 1790.